

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A REVIEW PURSUANT TO 807 KAR 5:058)	
OF THE 1997 INTEGRATED RESOURCE)	
PLAN OF EAST KENTUCKY POWER)	CASE NO. 97-200
COOPERATIVE, INC.)	

O R D E R

On September 17, 1997, the Attorney General's Office for Rate Intervention ("Attorney General") filed a motion to compel East Kentucky Power Cooperative, Inc. ("EKPC") to provide additional information and to extend the procedural schedule in the instant case. Specifically, the Attorney General seeks additional responses to its First Request for Information, Items 18, 19(b), 26 (a)-(c), 45, 47, and 48.

On September 24, 1997, EKPC filed a response to the motion to compel and a request to extend confidential treatment to its updated responses to Items 18, 47, and 48. The Commission's Executive Director, by letter dated October 2, 1997, granted EKPC's request for confidentiality of Item 18. Thus, EKPC should immediately provide this information to the Attorney General, subject to a confidentiality agreement.

The Attorney General seeks information responsive to Item 19(b) regarding EKPC's power sale to Cleveland Public Power. EKPC refused to provide the details of this sale on the grounds of confidentiality. The Attorney General states that EKPC has failed to file a formal request for confidentiality of this information and, in any event, the Attorney General has already executed a confidentiality agreement. In its response, EKPC requests confidential treatment of the information responsive to Item 19(b). The Commission finds

that due to the highly competitive nature of such wholesale sales, the details of EKPC's power sale to Cleveland Public Power should be afforded confidential treatment and provided to the Attorney General with that restriction.

The Attorney General seeks a response to Item 26(a)-(c) regarding EKPC's self-build capacity option, a 300 MW unit at its Spurlock Station. The Attorney General questions the low cost for this option and seeks detailed information supporting EKPC's "very low costs." The Attorney General argues that such information will soon be outdated and, therefore, will not provide an unfair advantage to its consultant. EKPC contends that the requested information is not relevant to a review of its IRP but would be extremely valuable in preparing a future bid for EKPC's capacity needs. EKPC notes that the Attorney General's consultant has submitted such bids in the past. EKPC further states that the requested engineering cost estimates for construction projects, which can be reliably escalated for extended periods, do have long-term validity. The Commission finds that the requested information is not relevant to this case. EKPC rejected its self-build option because other types of capacity can be added at lower costs. Evidence that might show the self-build option to be higher than EKPC's assumed cost will merely reinforce EKPC's decision to reject this option.

The Attorney General seeks the information responsive to Item 45, which has been granted confidential treatment. EKPC's response states that an unredacted copy of the information has now been provided to the Attorney General. Thus, the request to compel this information is moot.

The Attorney General is seeking additional responses to Items 47 and 48 on the grounds that EKPC's initial responses did not provide specific details about EKPC's

resource evaluations and sensitivity analyses. The Attorney General contends that EKPC's summary results provided in its IRP are not backed by sufficient detailed information. EKPC maintains that the detailed information requested by the Attorney General would unfairly provide potential future bidders for EKPC capacity needs with valuable information about self-build options which may be proposed in future EKPC requests for proposals. EKPC further states that such information has long-term value and could allow potential bidders the opportunity to "unfairly adjust and manipulate future bids" to edge out other proposals. Nevertheless, EKPC has now filed updated responses to Item Nos. 47 and 48 which provide some additional details. The Commission concurs with EKPC that the detailed information requested by the Attorney General could unfairly and unnecessarily taint future resource bidding processes. The Commission will not require EKPC to provide additional details of its resource screening and sensitivity analyses beyond those already filed. In addition, the Commission finds that EKPC's request for confidential treatment of the updated responses to Items 47 and 48 should be granted for the reasons set forth in EKPC's motion.

Finally, the Attorney General has requested that the Commission extend the procedural schedule to give the Attorney General the opportunity to review additional information filed by EKPC, to make supplemental requests relating to this information, and to file written comments pertaining to EKPC's IRP. The Commission finds that the procedural schedule should be extended to give the Attorney General additional time to prepare his comments. However, given the nature and sensitivity of the information discussed in this Order, the Commission finds that additional and supplemental requests for information by the Attorney General are unnecessary and should not be allowed.

IT IS THEREFORE ORDERED that:

1. Within 5 days of the date of this Order, EKPC shall respond on a confidential basis to Items 18 and 19(b) of the Attorney General's request for information.
2. Information provided by EKPC in response to Items 19(b), 47, and 48 is entitled to confidential protection on the grounds set forth in EKPC's petition and it shall be withheld from public inspection.
3. Any written comments by the Attorney General shall be filed no later than October 31, 1997 and any reply comments by EKPC shall be filed no later than November 21, 1997.

Done at Frankfort, Kentucky this 13th day of October, 1997.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director